

SENATE BILL 1423

By Marrero B

AN ACT to amend Tennessee Code Annotated, Title 6,
Chapter 56 and Title 9, Chapter 21, Part 1, relative
to the disposition of assets of municipal utilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 6, Chapter 56, Part 1, is amended by
adding a new section thereto, as follows:

§ 6-56-152.

(a) Notwithstanding any provision of law to the contrary, no municipally-owned public utility shall be offered for sale or lease unless approval is granted by a vote by the county legislative body. A majority vote of the county legislative body shall determine whether the sale or lease of the public utility shall be approved. If the sale or lease is approved, it shall be eligible for sale or lease as provided. If the proposed sale or lease is not approved by the county legislative body, the public utility may not be sold or leased.

(b) For the purposes of this section, sale or lease of a municipally-owned public utility shall mean more than thirty percent (30%) of the assets of such municipally-owned public utility are subject to sale or lease.

(c) The provisions of this section shall only apply if fifty-one percent (51%) of the county's residents who use the services of such public utility are outside the boundaries of the municipality intending to sell or lease such public utility.

SECTION 2. Tennessee Code Annotated, Title 9, Chapter 21, Part 1, is amended by
adding the following new section thereto:

§ 9-21-152.

(a) Notwithstanding any provision of law to the contrary, no municipally-owned public utility shall be offered for sale or lease unless approval is granted by a vote by the county legislative body. A majority vote of the county legislative body shall determine whether the sale or lease of the public utility shall be approved. If the sale or lease is approved, it shall be eligible for sale or lease as provided. If the proposed sale or lease is not approved by the county legislative body, the public utility may not be sold or leased.

(b) For the purposes of this section, sale or lease of a municipally-owned public utility shall mean more than thirty percent (30%) of the assets of such municipally-owned public utility are subject to sale or lease.

(c) The provisions of this section shall only apply if fifty-one percent (51%) of the county's residents outside the boundaries of the municipality intending to sell or lease such public utility use such public utility.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.